

Washington, DC – Congressman Sanford D. Bishop, Jr. (GA-02) today sent a letter to Speaker of the House Nancy Pelosi, House Majority Leader Steny Hoyer, and House Ways and Means Committee Chairman Sander Levin urging that any legislation the U.S. House of Representatives considers extending the Bush 2001 and 2003 tax cuts will include substantial estate tax relief.

Earlier this week, Bishop also joined 30 of his colleagues in the Blue Dog Coalition, a group of fiscally conservative Democrats, in signing a letter to Speaker Pelosi and Majority Leader Hoyer urging them to consider legislation to extend all of the 2001 income tax cuts. The letter states that “[g]iven the continued fragility of our economy and slow pace of recovery ... [w]e believe in times of economic recovery it makes good sense to maintain things as they are in the short term, to provide families and businesses the certainty required to plan and make sound budget decisions. Providing this certainty will give small businesses, the backbone of our economic recovery, confidence and stability.”

The text of Bishop’s letter on the estate tax is as follows:

It is my understanding that the U.S. House of Representatives may soon consider legislation to extend some or all of the Bush tax cuts enacted in 2001 and 2003. I urge you to include as part of the overall tax package substantial relief in the estate tax.

Beginning next year, the estate tax is scheduled to increase to its highest rate in a decade. A higher estate tax rate would have a severe impact on farmers and small business owners in Georgia’s Second Congressional District. If Congress does not take action before the end of this year, the resulting higher estate tax could affect 10% of American farms, 98% of which are family-owned and operated. Many Georgians could lose farms that have been passed down from generation to generation or be forced to sell much-needed land, buildings, and equipment. In addition, small business owners could lose the companies they worked so hard to build and hoped to hand down to their children.

Fortunately, the Statutory Pay-As-You-Go Act of 2010 (P.L. 111-139) has several key exceptions, including exempting for two years the cost of extending the 2009 estate tax law, with a \$3.5 million exemption and a maximum tax rate of 45%. Legislation also has been introduced in the U.S. House of Representatives (H.R. 3905) which calls for a permanent

extension of the \$3.5 million exemption and 45% maximum tax rate. While I would personally prefer a full repeal of the estate tax, the alternative of Congress doing nothing would be far worse – uncertainty in future estate planning as well as a higher tax rate and a lower exemption amount in 2011.

I look forward to working with you to ensure that a solution can be reached in the coming weeks that will reform the estate tax while providing farmers and small businesses with the stability, certainty, and peace of mind they need to plan for the future.

Sincerely,

Sanford D. Bishop, Jr.

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